



May 9, 2012

Title of Hearing: Hearing on Certain Expiring Tax Provisions

We at Geronimo Wind Energy, a utility-scale wind energy developer based in Edina, MN, understand that you had a Ways and Means Subcommittee Hearing on Certain Expiring Tax Provisions on April 26th, and we expect that you will be hearing from your colleagues and constituents about the issue of the wind energy production tax credit (PTC). As your constituents, we urge you to support the PTC extension. The PTC extension is important to our company because it helps wind projects compete today with other forms of electrical generation, which also benefit greatly from incentives. For example, fossil fuel-based generation has benefitted and continues to benefit from direct and indirect incentives, including permanent tax provisions and other economic advantages, like the use of Master Limited Partnerships (MLPs), which wind energy does not have access to.

Use our Prairie Rose Wind Farm as a good example of the positive effects of the PTC. We have kept the majority of our 25 employees at Geronimo diligently working to develop the project over the past three years, not to mention dozens of consultants, lawyers and other advisers to get the project to where it is today. We are now building the project in southwest Minnesota and will employ hundreds of construction workers while we do, ultimately yielding a \$300+ million capital investment in rural America, utilizing GE wind turbines that were built here in the US by American manufacturing workers. After the project goes into operation, we will employ dozens of people operating and maintaining the plant, not to mention others administering the project remotely. Further, the local economy will be bolstered by the millions of dollars that will return to the host community in the form of landowner payments and local taxes every year. Finally, the purchasers of the power will receive a stable, low-cost energy resource for 20 years by way of the contract we executed with Xcel Energy in which they said to the Minnesota Public Utilities Commission "consistently provides lower cost energy to our system than the anticipated cost of the natural gas generation."

Geronimo currently has a development pipeline of almost three thousand megawatts that, if fully developed, would provide billions of dollars of capital investment in rural America and hundreds of millions in lease payments to local landowners and taxes to local governments over the life of the projects. In the past, allowing the PTC to expire has caused wind development to drop up to 90%. As you can see from the above numbers, this doesn't just affect the wind industry; it doesn't just affect the landowners, local governments where development should be happening; it effects manufacturers, truck drivers, professionals and ultimately rate payers who benefit from low cost electricity generation that is not subject to violent swings from changes in fuel costs or detriment to our natural environment.

We urge you to pass an extension of the Production Tax Credit (PTC) for wind energy.

Sincerely,

Blake Nixon
President
Geronimo Wind Energy
blake@geronimowind.com